
DIGEST

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HB 695 Reengrossed

2016 Regular Session

Broadwater

Abstract: Provides relative to the types of debt the office of debt recovery, within the Dept. of Revenue, is charged with collecting and restricts the fee charged by the office for collecting debt to no more than 25% of the total amount of each debt owed.

Present law charges the office of debt recovery (hereinafter "office") and the attorney general's office with collecting the delinquent debts of state agencies which refer delinquent debts to them for collection. Further provides for the general powers and authority of the office in collecting delinquent debt that has become final and is 60 or more days past due.

Present law requires agencies that do not have collection contracts with the attorney general's office for the collection of delinquent debts to refer all delinquent debts to the office for collection. Once the debt becomes final, and prior to referral to the office, the agency shall notify the debtor that failure to pay the debt in full within 60 days shall subject the debt to an additional collection fee as provided for in this Section.

Proposed law retains present law but changes the debt that is required to be referred to the office from final debt to delinquent debt.

Present law requires each agency to refer non-final delinquent debts requiring legal action to the attorney general's office for collection when the debt has been delinquent for 60 days pursuant to the referral guidelines established by the attorney general.

Proposed law retains present law but changes the debt that is required to be referred to the attorney general from non-final delinquent debt to non-final debt.

Present law defines a "delinquent debt" as a final debt that is 60 days or more past due. Additionally, defines "non-final delinquent debt" as any debt that an agency has notified a debtor that is owed but the debt remains unpaid, due, or negotiable for a period of 60 days or more and the debt is not final and the debtor has further administrative or judicial review rights to challenge the validity of the debt or the amount owed.

Proposed law changes the definition of "delinquent debt" by removing references to the debt being final and specifies that the debt is 60 days past due. Further changes the definition of "non-final delinquent debt" by removing the references to the debt being delinquent and specifies that "non-final debt" is debt that the debtor has administrative or judicial rights to challenge the validity of the amount owed.

Present law defines "final" as the amount due that is no longer negotiable and that the debtor has no further right of administrative and judicial review.

Proposed law changes the definition of "final" to "final debt". Further defines "final debt" as any debt in which the debtor has no administrative or judicial review rights to challenge the validity of the amount owed.

Present law authorizes the office of debt recovery to charge the debtor a fee not to exceed 25% of the total liability of debt that has become final.

Proposed law changes present law to restrict the fee to no more than 25% of the total amount of each debt. Further restricts the collection of this fee to debt after it has become final.

(Amends R.S. 47:1676(A)(2), (B)(4), (6), and (7), (C)(2)(a), (G)(intro. para.), (3), and (4), and (H) and R.S. 47:1676(E) as amended by Act No. 11 of the 2016 1st E.S.)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Change the debt that is required to be referred to the attorney general from non-final delinquent debt to non-final debt.
2. Change the definition of "final" to "final debt". Further defines "final debt" as debt that the debtor has no administrative or judicial review rights to challenge the validity of the amount owed.
3. Specify that "delinquent debt" is debt that is 60 days past due.
4. Specify that "non-final debt" is debt that the debtor has administrative or judicial rights to challenge the validity of the amount owed.
5. Make technical corrections to change references from "final delinquent debt" to "final debt".
6. Change the fee charged to the debtor for collection of the debt from not to exceed 25% of the total liability to not to exceed 25% of the amount of each debt owed. Further restricts the fee to the collection of debt that has become final.